PHILIP MORRIS U.S.A.

RESEARCH & DEVELOPMENT DEPARTMENT

Records Management Guidelines

March 1993

Source: https://www.industrydocuments.ucsf.edu/docs/xtmk0001

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APPENDIX A
Suspension of Disposal for Certain Categories of Records

APPENDIX B
Research & Development Retention Schedule

APPENDIX C
Research & Development Document Transmittal Form and Instructions

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President's Message

Philip Morris records and information are valuable corporate assets. Everyone has a responsibility to manage Company assets, including our records. Through the years, the Philip Morris Records Management Program has provided guidelines for the consistent management of these assets and for fulfilling our legal, financial and regulatory obligations.

This Manual collects in one place the policies and procedures to assure the proper maintenance, protection and disposal of Company records and information assets in the most efficient and cost–effective manner. You should take time to familiarize yourself with the philosophies and procedures of this important program so that you will be able to carry out your responsibilities for Philip Morris.

William I. Campbell
President, Philip Morris U.S.A.

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Central File Notes

- All documents charged out through Central File must not be disposed of by anyone other than Central File personnel.
- All documents charged out through Central File must not be transferred to someone else or copied. The documents must be returned to Central File when no longer needed.
- Documents charged out through Central File will have either a barcode or an accession number on the front page of the document.
- Obsolescence of a document does not mean you are no longer accountable for it.
- Philip Morris U.S.A. owns reports regardless of who authored them. The ultimate resting place is Central File.
- Central File keeps all permanent retention documents including dated and signed laboratory notebooks.
- All documents generated or received by you **from today forward** must be appropriately coded and filed.
- All documents generated **from today forward** must have a transmittal sheet attached that includes identification of the project/program being discussed and an abstract of the contents or purpose of the document.
  Example of transmittal sheet: **Appendix C**
- Journal articles, *i.e.*, photocopies of journal articles or other materials from outside public sources, are not covered by the retention schedule.

  NOTE: Copyright laws need to be observed. With few exceptions, photocopying of journal articles is illegal.

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Managing Your Files

Responsibility for the files of personnel belongs with the project, section, or division. It is **NOT** the responsibility of Central File to receive the contents of file cabinets and desk drawers and to determine their value to the Company. Files must be reviewed by the appropriate project/section/division personnel before they are sent to Central File.

Returning to Central File

1. Look at each document and return those issued by Central File (*i.e.*, marked with a barcode or an internal control number) to Central File for check–in.
2. Send all laboratory notebooks to Central File for filming.
3. Review the remaining documents to see if any have **not** been copied to Central File (*i.e.*, cc: Central File) but fall on the permanent retention schedule. Send those documents to Central File.

MSDS Docs
Nuclear Regulatory Files

4. Review the remaining documents and decide if any need to be kept locally (*i.e.*, by the project, section, or division) for current business purposes.

CI Repats P0622 ACT

5. Assign local responsibility for those documents identified in #4 above and see that they are checked for retention period, moved, and refiled promptly. If the retention period has expired, consider if any of these documents are subject to Appendix A restrictions.

Does this apply to CI Reports, intel data

6. Documents under suspension (Appendix A restrictions) are to be marked with a red dot and filed locally or boxed and transferred to storage with the appropriate forms.
7. Documents which have met their maximum retention period and are not subject to Appendix A restrictions must be prepared for disposal.

Remember that any document stamped with a

C or C1 or C2

is under disposal suspension and must **NOT** be destroyed.

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Policy and Responsibility of Employees

Policy

It is the policy of Philip Morris U.S.A. to manage its records in a manner which ensures:

1. consistently organized filing, storage, and retrieval of recorded information;
2. record maintenance, in a variety of media, that satisfies legal, fiscal, and operational requirements;
3. protection of vital Company records;
4. orderly and timely transfer of inactive and obsolete records;
5. proper disposal of records no longer of value.

All employees, as a term of employment, are responsible for ensuring that records maintained by them are properly identified, retained, and disposed of in accordance with the Records Management Program. Every category of business records created or received by an employee is to be classified and coded in accordance with one of the retention category codes listed on the schedule as it applies to his/her records.

Purpose

The purpose of this policy is to establish guidelines for records management according to a standardized system to meet departmental and Company needs.

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Records Retention Program

Overview

The Philip Morris U.S.A. Records Management Program controls the retention and disposition of all of the Company's records. The length of retention for all types of Company records is communicated through records retention schedules.

The retention schedules identify the approved record categories and the prescribed retention requirements for each. The schedules ensure that records are kept long enough to meet business needs and legal and regulatory requirements. Those records that have been retained for the period of time specified in the applicable records retention schedule are to be disposed of in accordance with specified procedures, unless their disposal has been suspended.

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Definition of a Record

Glossary of Terms

Central File	The files of all organizational units, physically grouped in one centralized location, for access and reference by anyone having a business need.
Convenience Files	Desk files, or other files containing duplicate copies of information "officially" maintained in Central File, physically located near the point of use for convenient reference. Sometimes called "working files."
Personal Record	A record belonging to an individual, maintained in his/her desk, which has no content relevant to the corporation. "Personal" records do not fall under the guidelines of the Records Management Program.
Record	Any generated or received paper, book, photograph, microform, map, drawing, chart, card, magnetic media, or any copy or printout thereof used as evidence of activities or as information as it pertains to Philip Morris U.S.A. business.
Record Category	Any group of related records which are normally used and filed as a unit and permit evaluation as a unit for retention scheduling purposes.
Record Sub–Category	A specific identified type of record belonging to a record category.
Record Code	A specific identification belonging to a record category, used to aid in retention maintenance and disposal.
Retention Schedule	A listing of all records processed or maintained. The schedule documents actions to be taken relating to the retention and disposition of records.
Suspended Record	A record that has been identified as exempt from all disposal retention schedule requirements until notification is received from the Legal or Finance Departments. Exemption status can be a result of an audit, investigation, litigation, or other specific actions.

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Retention Periods

The retention schedules identify the approved record categories and the prescribed retention requirements for each. Records are not to be retained beyond their retention periods and must be retained for the entire retention period. **The exception is if the records are under Disposal Suspension.**

Retention Key:

C	=	Current Calendar Year
M	=	Current Calendar Month
SUP	=	Until Superseded
ACT	=	While Active
P	=	Permanent

C = Current Year – Retain from creation date or date the document is received by the department, whichever is later, (*e.g.*, September 1, 1991) until the end of the current year (*e.g.*, December 31, 1991). On January 1, 1992, the document should be destroyed.

M = Current Calendar Month – Retain from creation date or date the document is received by the department, whichever is later, (*e.g.*, October 28) until end of current month (*e.g.*, October 31). Dispose of on November 1.

SUP = Until Superseded – Retain until replaced by a more current version.

ACT = While Active – Retain for as long as the subject matter (*e.g.*, project) is ongoing.

P = Permanently retained by Central File

Most retention keys in this department's schedule have added to them a number, for example "C+1" or "ACT+6." The number represents the number of years, or in the case of "M+#," the number of months, that a record must be retained beyond the period of time represented by the key. For instance "C+1" requires the retention of a record for the current calendar year *plus* one additional year. The record may be disposed of after that additional year. Likewise, "ACT+10" requires retention of a record for the term of the agreement (for instance) *plus* ten additional years after the agreement is terminated.

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Exclusions from the Retention Schedule

- Publications created by companies other than Philip Morris and which are distributed or sold on the open market.

  Examples: Dictionaries/Thesauri
  Directories
  Equipment manuals/literature
  Journal articles
  Newsletters (FYI)
  Software manuals
  Vendor brochures

- Blank forms

- Personal records belonging to an individual, maintained in his/her desk, which have no content relevant to the corporation. "Personal" records do not fall under the guidelines of the Records Management Program.

  Examples: Information on United Way
  Frequent Flyer Programs
  Kiwanis Club

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Record Codes

Each record category is assigned a record code. Each record code can apply to an unlimited number of file folders, magnetic media, drawings, etc. Record codes appear on your records retention schedule.

Examples:	P0622	-	Projects	-	P
	A0150	-	Administrative	-	C+2

The record code or category code must be typed on every final copy of a document and on the transmittal sheet attached to any document. See Appendix B for the complete retention schedule.

Official File Locations

Retention schedules contain a column to indicate whether the official copy of a category of records is maintained by a particular group, department or office at Philip Morris. For instance, Human Resources is the Official File Location for personnel records. The retention period used by an Official File Location is the longest in the Company for that record category.

You are required to keep a record as long as the retention schedule requires. When it is no longer needed, be sure Central File has a copy of the document if it is an item kept permanently by Central File. It is kept permanently by Central File if there is a "P" marked for this category in the "IN STORAGE" column on the retention schedule.

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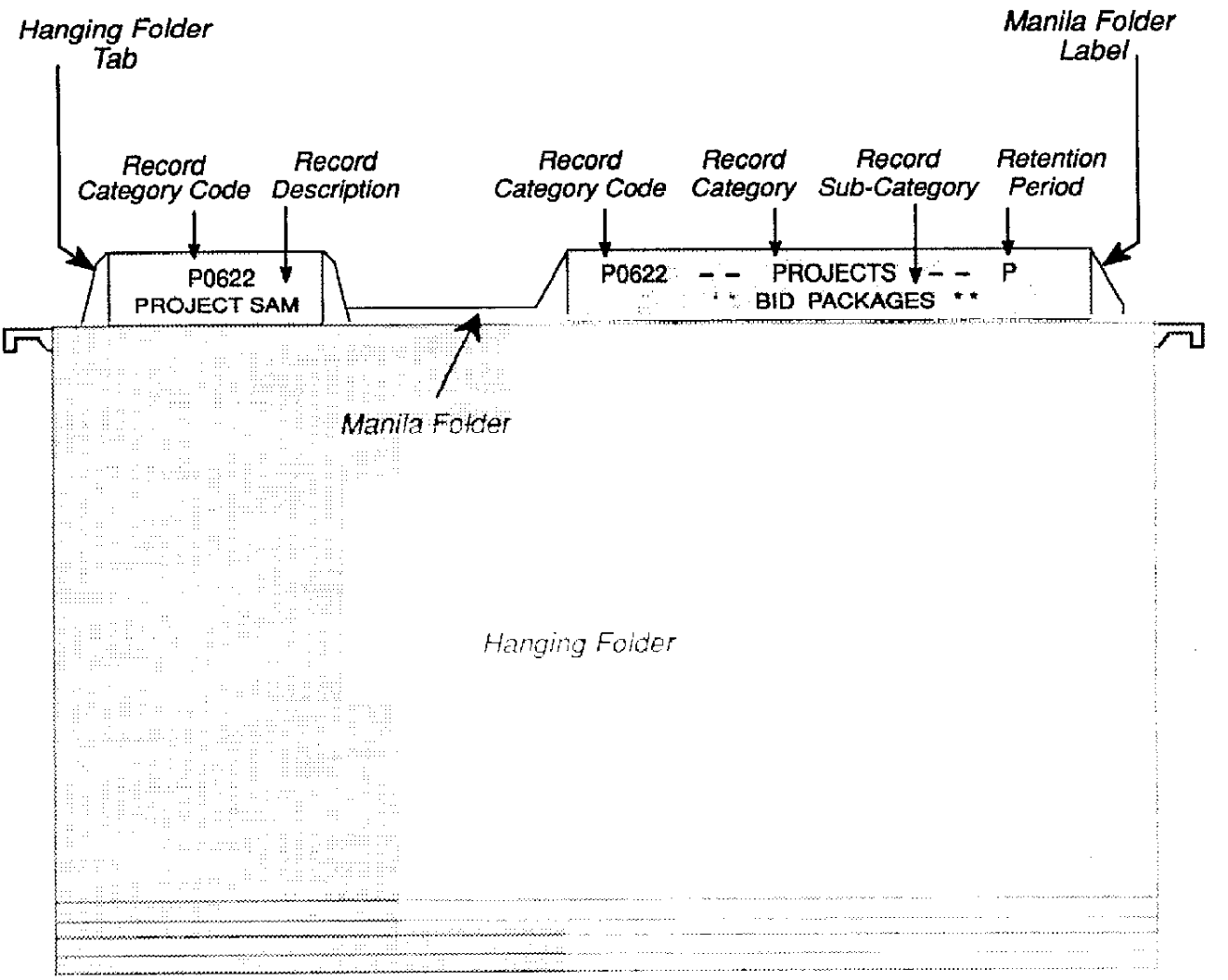
File Folder Specifics – – Samples



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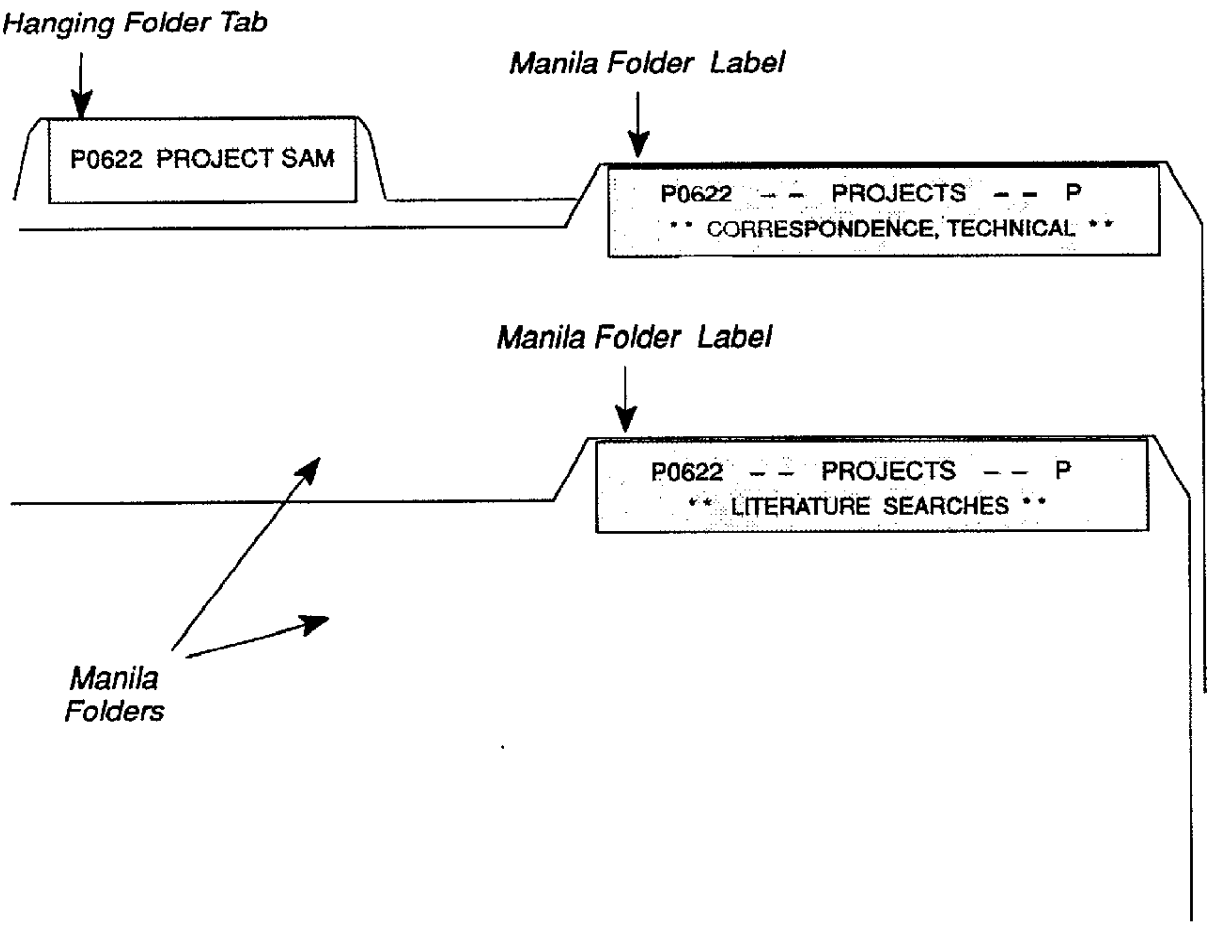
File Folder Specifics – – Samples



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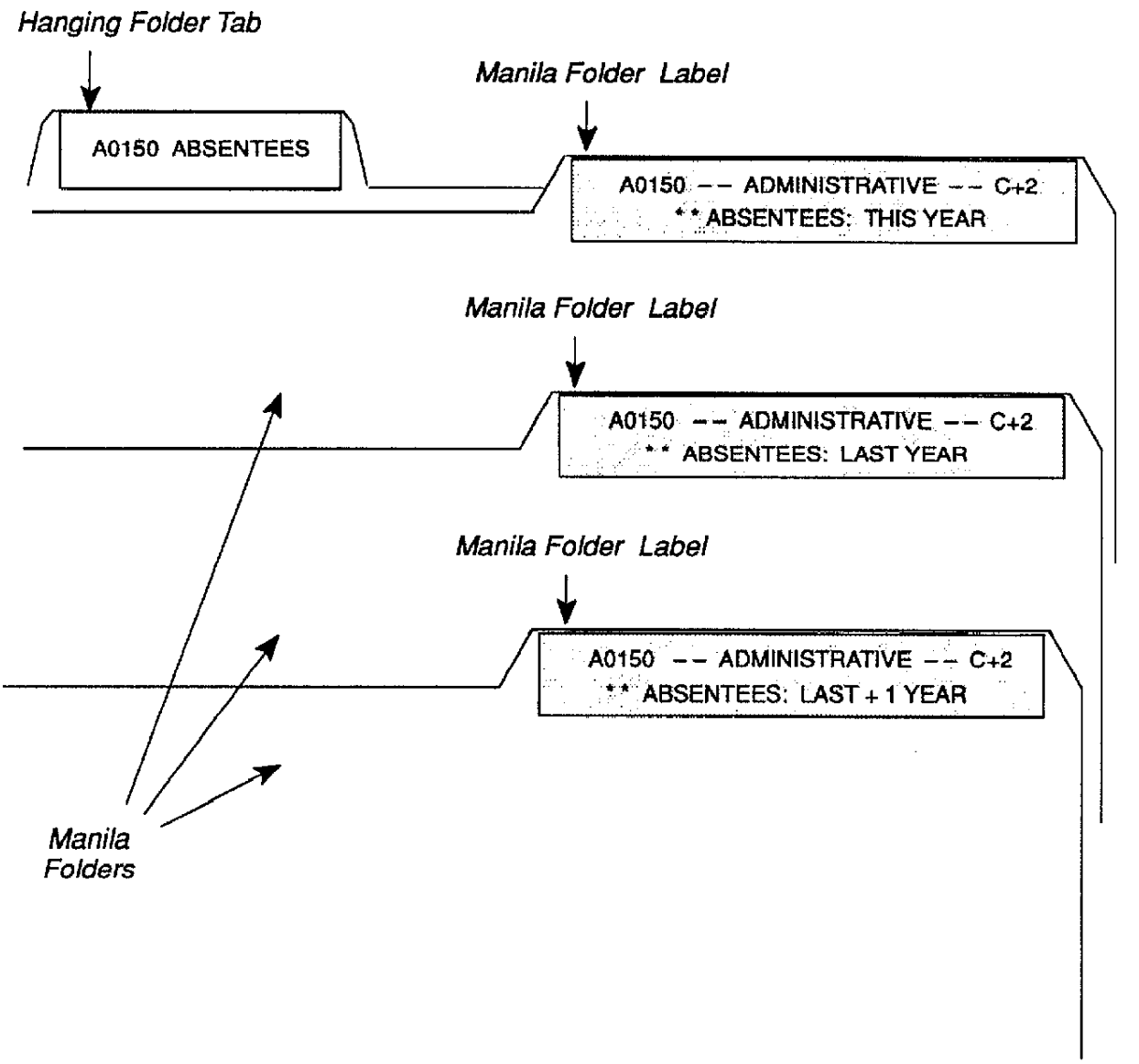
File Folder Specifics -- Samples



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CAUTION: The procedures contained in Section A below concerning proper methods of records disposal pertain ONLY to records NOT subject to Disposal Suspension. Procedures for records subject to Disposal Suspension are set forth in Section B below. Care should be taken to ensure that records subject to Disposal Suspension are retained.

A. *Disposal of Records Not Subject to Disposal Suspension*

1. Procedures

Records that are not subject to Disposal Suspension will be disposed of pursuant to the applicable records retention schedule, regardless of the medium on which they appear or their location, in accordance with the following procedures.

a. Active Records

Disposal Notices will be issued to employees as appropriate. The Disposal Notices will be based on the retention schedules and will be issued as records become due for disposal.

Upon receipt of a Disposal Notice, the employee will ensure that the records scheduled for disposal have been reviewed against the current list of records potentially relating to certain categories of records as set out in Appendix A and any other Disposal Suspension Notices or applicable exceptions to the records retention schedules.

If certain records within a record category scheduled for disposal need to be retained for business purposes or due to a Disposal Suspension, the employee will attach to the Disposal Notice an explanation for their continued retention. The remaining records within the record category should be disposed of in compliance with the Disposal Notice.

All employees are responsible for ensuring that active records scheduled for disposal (1) are not subject to Disposal Suspension Notices and (2) are without exception disposed of in accordance with any Notice of Active Records Disposal.

Originals of signed Disposal Notices are to be sent to Central File for permanent retention.

b. Copies of Records Not Subject to Disposal Suspension

As a matter of common business practice, multiple copies of a record are frequently disseminated for temporary use or reference. Copies of records not subject to Disposal Suspension may be disposed of at any time and without formal

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authorization, provided that one original copy is kept for the applicable retention period and the copy is not barcoded by Central File.

c. **Control Persons for Records**

In order to reduce the proliferation and needless retention of records, the originator of a record will be considered the "control person" for that record. As regards records received by Philip Morris employees from outside sources, the principal addressee on the record will be considered the control person.

The control person for a record will retain that record according to his or her retention schedule for the full retention period indicated for the applicable category, but no longer, unless the record is subject to Disposal Suspension or valid business reasons exist for its continued retention. Other copies of the record, maintained by persons other than the control person, may be disposed of at any time before the expiration of the applicable retention period.

d. **Drafts of Records Not Subject to Disposal Suspension**

As a matter of common business practice, interim drafts of records are routinely superseded by later drafts as part of an ongoing drafting process until a final version of the record is produced. Drafts of records not subject to Disposal Suspension may be disposed of at any time and without formal authorization.

2. **Records Disposal Methods**

The standard method of disposal is by **SHREDDING**. All disposal should be conducted in a secure and confidential manner. If in doubt about such procedures, advice should be sought from Central File or the Legal Department.

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NOTICE OF ACTIVE RECORDS DISPOSAL

TO: _____ DATE: _____
(Employee)

DEPT: _____

FROM: _____
(Responsible Records Management Group – Central File)

Records in the following categories that were created before _____ (date)
are scheduled for disposal as of _____.
(date)

Please initial each line to indicate these records have been destroyed. Note that specific records within a given Record Category may need to be retained for business reasons or due to a Disposal Suspension, while other records in that category may be disposed of in accordance with the applicable retention schedule. Attach an explanation for those records that are retained beyond their retention period. Send the original back to Central File.

RECORD CODE	RECORD CATEGORY	APPROVAL	DISPOSAL

I certify that the records I have destroyed were reviewed against all applicable Disposal Suspension Notices and that none of these records is subject to any Disposal Suspension.

_____ _____
(Employee) (Date)

_____ _____
(Next Level of Supervision) (Date)

NOTE: Return this form to Central File.

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Disposal Suspension

Disposal Suspension is "a procedure to stop, temporarily or permanently, the disposal of records or information because they might be needed for an audit, investigation, court case or specified reason. This may be issued by the Philip Morris Legal Department or the Philip Morris Corporate Tax Department." Attached is Appendix A of the Records Management Manual which contains a list of some of those topics and record categories that require the suspension of the disposal process. Please ask your Records Management Professional any questions you may have regarding records which may be covered by Appendix A.

The procedures as outlined in the Records Management Manual, revised June 1992, are on the next pages.

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B. *Procedures for Records Subject to Disposal Suspension*

Certain Company records, such as those described in Appendix A, are subject to Disposal Suspension. Those records should be retained whether or not they fit within the definition of "record." If a record is subject to Disposal Suspension, the procedures set forth in this section should be followed.

1. Notification of Disposal Suspension and Release

Philip Morris policy requires that disposal of relevant records be suspended when determined to be necessary due to pending or threatened litigation, governmental proceedings/investigations, audits and other considerations. When Disposal Suspension Notices are issued, disposal procedures are immediately suspended. Records subject to Disposal Suspension should not be disposed of, mutilated, or altered in any way. Notification of a Disposal Suspension and the removal of such a suspension will come from either the Philip Morris Corporate Legal Department or the Philip Morris Corporate Tax Department.

a. Disposal Suspension

The Philip Morris Corporate Legal Department and the Philip Morris Corporate Tax Department are responsible for notifying appropriate Records Coordinators, responsible Records Management Group personnel, and appropriate employees of any pending or threatened litigation, investigation or audits that might affect the retention of records in their areas or departments. When Disposal Suspension is necessary, either the Philip Morris Corporate Legal Department or the Philip Morris Corporate Tax Department will issue a Disposal Suspension Notice and forward it to the responsible Records Management Group and appropriate department personnel, including the head of the Operating Department and the Records Coordinator. [See Appendix A for the list of topics subject to Disposal Suspension in connection with smoking and health litigation.] These individuals should then communicate or distribute the Disposal Suspension Notice to all affected employees.

Any records collected or copied for the purposes of ongoing litigation or investigation should be retained. Such records have been stamped with a "C," "C1," or "C2." Cartons or file folders to which a round, red label are attached have been copied for ongoing litigation or investigation and are under Disposal Suspension. Company personnel with custody of such cartons or files are responsible for ensuring the integrity of the cartons and files, as well as ensuring that the cartons and files can be readily tracked and accessed. Other, similar methods may be used from time to time to indicate that certain records have been copied for ongoing litigation or investigation or that specific files or cartons are under Disposal Suspension.

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Please keep available in this binder all Disposal Suspension Notices or instructions you receive from any source.

b. **Disposal Suspension Release**

When a Disposal Suspension is no longer necessary, either the Philip Morris Corporate Legal Department or the Philip Morris Corporate Tax Department will prepare a Disposal Suspension Release Notice and forward it to the appropriate records and department personnel, including the head of the Operating Department and the Records Coordinator of the relevant department. Records released from Disposal Suspension are then governed by the retention periods set out on the applicable records retention schedules, and should be retained or disposed of accordingly.

2. **Procedures**

a. **Active and Inactive Records**

Until such time as a determination is made that records subject to Disposal Suspension are no longer needed, the regular records management procedures as to active and inactive records are suspended.

b. **Copies of Records Subject to Disposal Suspension**

If a copy is made of a record that is subject to Disposal Suspension, then that copy may be disposed of at any time without formal authorization if the copy has not been annotated in any way. An "annotation" would include, by way of illustration, a note on the substance of the record, a note redirecting the record to someone not shown as an addressee, or the like. **Notwithstanding the foregoing, copies of records relating to issues involved in smoking and health litigation must be retained until Disposal Suspension is lifted (see Appendix A).**

c. **Control Persons for Records**

If a copy of a record is maintained by a person other than the control person, the copy may be disposed of at any time before the expiration of the applicable retention period provided that the record is not subject to Disposal Suspension. Copies of records that are subject to Disposal Suspension that are maintained by persons other than the control person should be retained until Disposal Suspension is lifted if the copy has been annotated in any way or if the copy has been redirected beyond the originally intended recipients (including carbon copy recipients), or if the copy relates to issues involved in smoking and health litigation (see Appendix A).

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d. **Drafts of Records Subject to Disposal Suspension**

Interim drafts of records created after the issuance of this **Manual** and otherwise subject to Disposal Suspension need not be retained if:

i. the draft was superseded by a later draft as part of an ongoing drafting process, **and was not otherwise filed;** and

ii. the draft was not circulated; and

iii. a superseding or final version is kept.

For example, notes used in dictating a first draft of a memorandum or letter, the dictation tape used to create that first draft, the computer or disk space utilized to create the record on a word processor, and any subsequent marked–up drafts of the memorandum or letter may be disposed of (*e.g.*, shredded, erased, etc.) as long as the three conditions listed above have been met.

Conversely, from time to time interim drafts may be kept for some business reason or may otherwise find their way into the Company's files, for instance where no final version of the record is kept. Likewise, interim drafts are sometimes circulated to others for review. Such drafts should be retained pursuant to any Disposal Suspension Notices.

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